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1955/05/05

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TELEGRAM SENT

TO : SECSTATE, WASHINGTON

DATE : MAY 5, 1955

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No. :

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CHARGED TO : EMBASSY

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SENT DEPT 5074 RPTD PARIS 1305

FOR SECRETARY FROM COLLINS.

Following is summary of Vietnam situation as I see it:
Re Deptel 4868, sent Paris 3920.

1. Military situation vis-a-vis Binh Xuyen.

a. VNA has driven Binh Xuyen from all posts in Saigon-Cholon except 3 in French controlled zone. I have suggested Ely that he arrange for evacuation these posts and their transfer to National Police and Surete as major move to reduce anti-French feeling. Will report any progress this regard soon as obtainable.

b. Unfortunately, after successfully driving Binh Xuyen from Saigon-Cholon and area immediately south thereof, VNA has ceased operations for two or three days. Death of General THE, fatigue of troops, "need for regrouping" and alleged near-shortage of artillery ammo have been offered as reasons for inexcusable failure to crush Binh Xuyen. Respite probably will permit residual Binh Xuyen forces to go underground as French predicted. This could result in dangerous and protracted guerrilla operations.

c. Fortunately so far there has been no indication of moves of Ba Cut or Soai to aid Binh Xuyen. Soai's forces are quiescent east of Long Xuyen, and there is no indication that VNA units have had any difficulty with Hoa Hao despite fact armed escorts are on infrequent occasions considered prudent for travel in Sadec-Can Tho area.



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2. Situation of the United Front (Sect).

a. Too early to say whether United Front has definitely broken up. Certainly no effective assistance has been given by either Cao Dai or Hoa Hao to Binh Xuyen. United Front is quiescent for present.

b. Driving force behind United Front was unquestionably Bay Vien. Unfortunately, VNA permitted escape of BAY VIEN, his Political Advisor LAI HUU TAI, and former Surete Chief SANG. Unless they can be either captured, killed, or forced out of country, they remain dangerous elements which could unify the United Front.

3. The Army (VNA).

a. Thus far VNA has conducted itself quite well against Binh Xuyen and has remained loyal to Diem Govt.

b. Tactical movements of VNA were not repeat not skillful but consisted largely frontal attacks which permitted escape of Binh Xuyen leaders and withdrawal of substantial forces south of Saigon-Cholon.

c. Diem's refusal transfer full military powers to VY has apparently not been further contested by Bao Dai in spite his original order and VY is reported to have gone to Paris after unsuccessfully attempting coup. VY's fiasco and strong popular reaction against Bao Dai's action sending HINH back to Vietnam on special mission have reinforced present Army leadership which is supporting Diem in action against Binh Xuyen.

d. Although certain Army leaders, including Generals THE, TRAN VAN DON and TRAN VAN MINH signed early Revolutionary Committee declarations, General DON now states Army wishes remain out of active politics. DON also says

Army ..

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Army will not send representatives to Estates General meetings although invited to do so by Diem.

e. While Army has remained loyal to Diem until now as head of legal Govt, if Revolutionary Committee should seek overthrow Bao Dai and should Bao Dai resist this action, effect on loyalty of Army is difficult to predict. In such event, there would probably be at least deep split in Army ranks with perhaps considerable portion senior officers declaring for Bao Dai.

f. Fact that Army has suspended action against Binh Xuyen is disturbing and may indicate that, for variety of reasons, Army is not enthusiastic about engaging in guerrilla warfare against Binh Xuyen.

4. Revolutionary Committee. (See Embtels 5047 rptd Paris 1295
5054 rptd ~~and~~ Paris 1299 and
5049 rptd Paris 1296.)
Will advise results of meetings 5 May.

5. Bao Dai's position.

a. Bao Dai has committed major blunders. He has twice ordered Diem to France for consultations, sending messages in clear which were widely publicized and which Diem has nevertheless successfully resisted. Bao Dai in third message which we have not seen, is said to have back-tracked to some extent, explaining he had not meant cast reflections on Diem, but simply wished to consult with him as PRIMIN before meeting with other Nationalist leaders. Fourth message of 4 May, which we have also not seen, is said to be restrained and conciliatory. Second blunder was to name VY to supersede civil and ranking military authorities as supreme military chief with full military powers. This likewise has backfired. Third blunder, HINH mission, was particularly stupid in view of fact that HINH had been portrayed as rebel when he was recalled from Vietnam to France by Bao Dai.

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b. Bao Dai is currently object of violent denunciations by so-called Revolutionary Committee and in ~~columns~~ Saigon vernacular press, where such attacks could not occur without Govt inspiration or at least tacit encouragement. Revolutionary Committee's public proclamation stating Bao Dai deposed as Chief of State has given publicity and impulse to anti-Bao Dai movement which has always been strong in Cochin China.

c. Should Bao Dai be wise enough continue show restraint and conciliatory attitude his recent messages have reflected he could be very important asset in restoring stability to Vietnam and strengthening Govt. Although badly undermined and discredited by recent events and his own blunders, continuing strength Bao Dai's position lies in fact that while National Assembly and Constitution are still lacking he represents only legal authority, however tenuous, able to effect peaceful and legal change of Governments. Much as we may dislike situation, until National Assembly is elected Bao Dai is only person competent to provide element political continuity. We must, therefore, give consideration to means preserve Bao Dai's position. He can be positive asset should he give full support Diem Govt pending general elections and establishment National Assembly.

6. Diem's position.

a. Diem's position has clearly been strengthened by recent events. Factors in giving him prestige and in increasing his strength have been:

- (1) Diem's vigorous and forceful reaction to Binh Xuyen challenge April 28;
- (2) Continued loyalty National Army to Diem as legal chief of Govt;
- (3) Success of National Army in ~~effectively~~ driving unpopular Binh Xuyen from city;

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(4) Obvious bitterness of French against Diem which reacted in Diem's favor among population;

(5) Ineptness Bao Dai's moves against Diem and Diem's success in resisting them.

(6) Continued US support.

b. Weaknesses of Diem's present position are:

(1) Danger that he may fall captive to Revolutionary Committee;

(2) Fact that loyalty of Army, in large measure, is conditioned upon his continuing as legal head of legal Govt.

(3) Possibility that Bao Dai could precipitate internal conflict by dismissing Diem should Revolutionary Committee and Estates General depose Bao Dai and Diem associate himself with this action.

(4) Difficulty controlling always latent republican sentiment in Cochinchina now that Revolutionary Committee has raised prospect of possible deposition Bao Dai.

(5) Fact that Diem himself is vulnerable to being overthrown within brief period should extreme elements depose Bao Dai and later turn on Diem.

7. French position.

a. French position determined by two factors:

(1) Ely's responsibility for safety FEC and for French lives and property; and as signatory of Geneva Accords;

(2) French desire ^{retain} ~~retain~~ cultural and economic presence and to ~~retain~~ Vietnam as part French Union.



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b. Friction between French and Vietnamese has reached serious proportions. It springs from two major sources:

(1) Ely, to meet his responsibility for the safety of French lives and property, has established a French controlled security zone which includes large portion residential and business zone of Saigon proper. He has introduced new French battalions to protect this zone. Presence these forces, reported refusals to permit VNA units to move through French zone, and sanctuary provided to three Binh Xuyen posts located within security zone are constant irritants to Vietnamese Nationalists.

(2) Anti-Diem propaganda such as broadcast by Radio France-Asie and allegations of French support of sects, particularly Binh Xuyen, which widely credited by Vietnamese, have added oil to fire.

c. Ely and French authorities here have finally concluded Diem must go. Increasing French bitterness toward Diem and their sensitivity to "anti-colonialist" propaganda has to some extent been extended to U.S. whom they blame for not joining with them in pressing Diem to seek cease-fire. French likewise tend blame US for recent bloodshed because we did not agree with them in finding political solution to governmental crisis some three weeks ago.

d. Strong anti-French aspect of Revolutionary Committee has great appeal to large segments of population which beneath surface has long nourished hatred and contempt for French.

e. Quite regardless of future developments, episodes of last week, featured by increasing strain in French-Vietnamese relations, cannot help but severely jeopardize France's long range interests in Vietnam. Of late one hears less and less mention of maintenance of French cultural and economic interests and influence ...

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influence and more and more of threats that France will drop responsibilities and withdraw FEC. We believe this to be passing phase, however.

f. Reference the activities of Revolutionary Committee and Estates General, local French have same fears that we do. French are convinced that Revolutionary Committee is penetrated with Viet Minh agents, but have so far been unable to give us any conclusive proof. They are also skeptical about the Estates General being able to modify radical resolutions of the Revolutionary Committee.

g. I think it is fair to say that French are convinced that Diem desires overthrow Bao Dai and will continue efforts to do so irrespective of current activities of Revolutionary Committee.

h. As indicated in recent telegrams, General Ely and the Commissariat General in Saigon have become so emotional in their bitter opposition to Diem and his entourage, that I fear they have lost some of their objectivity as to popular reaction to Diem's recent moves, his holding on the Army, and his ability to deal with the Binh Xuyen. They are quite convinced that serious warfare will be initiated by the Binh Xuyen, and that anti-French sentiment fomented by Diem and perhaps Viet Minh elements, may still cause serious outbreaks in foreign sections of Saigon.

8. Conclusions



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8. Conclusions.

a. It would appear to me that the essential steps in reconstituting a joint American-French approach to situation in Vietnam should be as follows:

(1) Diem Govt should be fully supported in bringing to a final and quick solution its conflict with the Binh Xuyen.

(a) This will require on part of French, not only in Paris but more importantly in Saigon, that genuine assistance rather than passive semi-obstruction be offered to Vietnamese Govt and Armed Forces.

(b) Specifically, General Ely should be directed take active steps to persuade Binh Xuyen to withdraw their forces from three police posts remaining within French security zone in Saigon, or, if Binh Xuyen refuse, then to permit Vietnam Armed Forces to reduce these posts with minimum of casualties.

(c) All echelons of French bureaucracy, including Armed Forces, should be instructed to desist from agitating against Diem Govt.

(d) Official pressure, both in Paris and Saigon, should be brought upon Radio France-Asie, a semi-governmental institution, to cease its attacks on Diem Govt.

(e) Such steps as may be possible should be taken to persuade French press men to cease their attacks, particularly in Saigon.

(f) French garrison in Saigon-Cholon should be reduced without delay.

(g) There should be a public announcement by appropriate French authorities of their full support of Diem Govt in present conflict with Binh Xuyen.

(h) On the American side, MAAG should proceed rapidly as possible to assist organization and training of essential logistical services of Vietnamese Armed Forces so as to make them as independent as possible of FEC. This is underway in accordance with my instructions to MAAG.

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(2) As soon as current crisis is over, decisive effort must be made to persuade or otherwise force Diem to reorganize his Govt and to establish a Cabinet competent to implement broad programs of reform covered by the Collins-Ely seven-point program, plus a program for integration of sects into normal life of Vietnam.

(3) If, after a reasonable further period of trial, President Diem is unable to constitute a Govt capable of implementing these programs, US should join with France and Bao Dai in assisting liberal Vietnamese Nationalists to establish a competent Govt.

b. I recognize that General Ely may irrevocably be opposed to supporting any Diem Govt. If this should prove to be true, I would suggest we urge Faure Govt to replace him, preferably with man of caliber of Devinat, or perhaps Georges-Picot. At same time, it would probably be necessary to replace General Jacquot (who has incurred violent animosity of VN during Binh Xuyen crisis) with man like General Cogy.

c. Ref step (3) above, I recognize also that it may be politically difficult to withdraw US support from Diem even if he again proves incapable of establishing an effective Govt. I still feel that even if Diem manages suppress Binh Xuyen, this will not change his own basic incapacity to manage the affairs of Govt. His present successes may even make it harder for us to persuade Diem to take competent men into Govt, to decentralize authority to his Ministers, and to establish sound procedures for the implementation of reform programs. I am still convinced Diem does not have knack of handling men nor the executive capacity truly to unify the country and establish an effective Govt. If this should become evident after further trial, we should either withdraw our support from Vietnam, because our money will be wasted, or we should take such steps as can legitimately be taken to secure an effective new Premier.

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d. Throughout all this, I feel we must keep our eyes clearly on our main objective in Vietnam, i.e. to assist in saving this country from Communism. No matter who heads the Govt here, Free Vietnam will not be saved unless sound political, economic and military programs are promptly and effectively put into action. This will require wholehearted agreement and coordination between Vietnamese, Americans and French. Difficult as this may be to achieve, it is possible, in my judgment. If this tripartite approach is not secured, we should withdraw from Vietnam.

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